

EXHIBIT D

THE FEDERAL SAVINGS BANK



LOAN MEMORANDUM

BORROWER : Paul Manafort and Kathleen Manafort**DATE:** 1/5/2017

CONNECTION (To Other Borrowers) :	Summerbreeze, LLC	OFFICER NAME	Raico
CUSTOMER/BORROWER SINCE :	November 2016	PREPARED BY (Credit Officer)	J. Brennan
ADDRESS :	377 Union Brooklyn NY	RISK RATING-CURRENT :	N/A
BUSINESS :	Residential remodelers	PROPOSED NAICS CODE :	4 - Average 236118
OWNERSHIP STRUCTURE :	Paul Manafort & Kathleen Manafort	CONNECTION (A.C.E.)	\$8,760M see discussion
		DLC APPROVAL	No
		REGULATION O	No
		NEXT REVIEW DATE	11/2017
GUARANTORS :	Paul Manafort & Kathleen Manafort	RESTRUCTURED DEBT	No
		POLICY / SUPERVISORY LTV EXCEPTION?	No

FOR CREDIT ADMINISTRATION USE ONLY:

Approval By:

Approval Date:

James Brennan as Loan Committee Secretary

1/5/17

Chairman/CCO/Secretary:

TRANSACTION SUMMARY: (include brief overview and RM assessment of request as appropriate.)

Borrower is seeking a commercial real estate loan for purchase and renovation of 377 Union Street Brooklyn NY. TFSB will finance \$6,500,000 consisting of \$5,300,000 loan for acquisition and \$1,200,000 loan for the renovation. The "As Complete" appraised value is \$6,300,000. Neither appraisal provided an "As Is" value therefore one was calculated by subtracting the cost to completion (\$1,200,000) and inputting a Developer's Profit of 15% of the total cost. The adjusted appraised value is \$4,155,000. Besides the collateral the borrowers are required to maintain cash collateral of \$2,500,000 with TFSB. "As Is" LTV including the cash collateral is 98% and the LTV of the "As Complete" including the cash collateral is 74%.

The proposed terms are 12 months interest only 7.25%. A 2% origination fee will be charged as well as \$5,000 in 3rd party fees. Payments will be made directly from a TFSB account.

TFSB has entered into two Participation Agreements with the National Bancorp Holding whereas National Bancorp will purchase \$3,000,000 of the \$5,300,000 loan and 100% of the \$1,200,000 loan. This will reduce TFSB's exposure to the Manaforts to:

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BORROWER : Paul Manafort and Kathleen Manafort

DATE: 1/5/2017

Summerbreeze	\$	9,500,000
Net 577	\$	2,300,000
	\$	11,800,000
Cash Collateral		
Summerbreeze	\$	630,000
577 Union	\$	2,500,000
	\$	8,670,000

BACKGROUND INFORMATION:

Paul Manafort (Guarantor)

Paul Manafort, Jr. is the son of Paul Manafort, Sr who with his three brothers built Manafort Bros., a leading site development contractor in New Britain, Connecticut. Paul Sr. was elected to three terms as the Republican mayor of New Britain.

Paul Manafort, Jr. has been an adviser to the presidential campaigns of Republicans Gerald Ford, Ronald Reagan, George H.W. Bush, Bob Dole and is formerly the national chairman of the presidential campaign of Donald Trump.

In 1980, Manafort also co-founded Black, Manafort, Stone and Kelly (BMSK), a beltway lobbying firm alongside partners Roger Stone and Charles Black. One of its most lucrative clients was Jonas Savimbi, leader of UNITA, the pro-Western rebel army fighting the Communist government in Angola. Manafort helped make Savimbi a heroic figure among conservative Washington think-tanks, and aided him in securing hundreds of millions of dollars in aid from the Reagan and Bush Administrations, money that never brought victory.

Mr. Manafort's lobbying efforts may have led to his resignation from the Trump campaign. Manafort's consulting work has come under intense scrutiny over his ties to foreign governments and indications that he might have received \$12 million in undisclosed cash payments. The alleged payments, which Mr. Manafort has vehemently denied, were noted in a ledger kept by former Ukraine president Viktor Yanukovich's political party.

KEY RISKS/CREDIT ISSUES:

- 1) Mr. Manafort's past lobbying efforts with foreign governments might be investigated in the future.
- 2) High end housing while currently hot in New York City may cool at some point.

Mitigants: 1) Paul Manafort has a solid net worth. 2) The proposed LTV for the loan is 74% 3) Prior to most recent interim, Mr. Manafort has a shown steady source of income from his job as a political consultant 4) DSCR above guidelines for 2013-2015. 4) TFSB will have \$2,500,000 in cash collateral for the loan.

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**LOAN MEMORANDUM****BORROWER :** Paul Manafort and Kathleen Manafort**DATE:** 1/5/2017

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\$ 8,670,000


CREDIT FACILITIES:**Comments****BANKING RELATIONSHIP:**

Paul Manafort will have at least \$3,130,000 in a restricted checking account with TFSB held as additional collateral for these loan.

REPAYMENT SCHEDULE:

Loan	Payment Type	Monthly Payment	Frequency	Amortization Schedule	
1	I/O	\$ 39,271	Monthly	I/O	
		\$ 39,271			

Comments: The I/O payment above is based on the entire \$6,500,000 being outstanding. In reality interest is only charged on the outstanding balances.

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COLLATERAL SUMMARY:

Loan	Loan Amount	Collateral Description	Valuation Method/Date	Market Value	Adv Rate	Net Value	MCV	LTV	MCC
	\$6,500,000	1st Mortgage and assignment of rents on property plus \$2,500,000 cash collateral.	Appraisals received see below	\$6,300,000 plus \$2,500,000 Cash Collateral	75%	\$8,800,000	\$8,800,000	74%	1.35
1010001429	\$ 9,500,000	1st Mortgage and assignment of rents on property plus \$630,000 cash collateral.	Appraisals received see below	\$ 15,580,000	75%	\$ 15,580,000	\$ 15,580,000	61%	1.64
	\$ 16,000,000	All Collateral		\$ 24,380,000	75%	\$ 24,380,000	\$ 24,380,000	66%	1.52

Comments:

"As Complete" Appraisals were performed by Admor Appraisals Inc and Key Appraisals. The appraisals were performed on December 14 and 11-2016 respectively. Admor valued the property at \$6,400,000 while Key appraised at \$6,300,000. The lower appraisal was then adjusted for the cost to complete and 15% Developer's Profit to arrive at \$4,155,000 value to which the \$2,500,000 cash collateral account was added.

Mountainseed Appraisal Management, LLC did a review of both reports and commented that neither included an "As Is" Value.

CONDITIONS OF CREDIT (ongoing monitoring & reporting requirements)				
<u>MONITORING</u>	<u>CURRENT</u>	<u>PROPOSED</u>	<u>LAST RECEIVED</u>	<u>IN COMPLIANCE?</u>
Business F/S	NA	NA	NA	
Business Tax Return	NA	NA	NA	
Borrowing Base Cert.	NA	NA	NA	
A/R Aging	NA	NA	NA	

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BORROWER : Paul Manafort and Kathleen Manafort**DATE:** 1/5/2017

Inventory Listings	NA	NA	NA	
Field Audits	NA	NA	NA	
Personal F/S- Manafort	Annual	Annual	10/16	Yes
Personal Tax Return-	Annual	Annual	2015	Yes

FINANCIAL STATEMENT ANALYSIS SUMMARY:

Mr. Manafort's consulting business provides his largest source of income. Mr. Manafort provided year-end 2015 drafts and 7/31/2016 interim business financials for DMP International, LLC which show the following (see below). The 2015 drafts on the 2015 10 K-1 ordinary income for DMP International, LLC of only **\$344,090**.

DMP International, LLC	12/31/2015	7/31/2016
Income from operations	\$6,537,356	\$0
operating expenses	\$2,086,687	\$638,048
net income (loss)	\$4,450,744	(\$638,048)

2016 interims

- The profit loss statement is on a cash basis. The accountant has indicated \$2.4 MM in fees have been earned, but not yet received. The \$2.4MM is expected to be paid to DMP in November. Credit Officer requested a listing of receivables, but it was not received.

TAX RETURN:

LOCATION:

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THE FEDERAL RESERVE

LOAN MEMORANDUM

BORROWER : Paul Manafort and Kathleen Manafort**DATE:** 1/5/2017Paul Manafort and Kathleen B. Manafort

1040 U.S. Individual Income Tax Return			
Income	2015 (Draft)	2014	2013
Wages			\$ -
Taxable Interest	276,794	\$ 336,702	\$ 232,242
Ordinary Dividends	128,091	\$ 136,182	\$ 125,046
Taxable Refunds	674	\$ 2,716	\$ -
Schedule C Net cash flow	175,000	\$ 481,000	\$ 201,000
Other gains	3,730	\$ 2,761	\$ 9,417
Capital gains/(losses)	-3,000	\$ (3,000)	\$ (3,000)
IRA Distributions	4,268	\$ 2,451	\$ 3,159
Schedule E	705,967	\$ 2,025,398	\$ 1,342,699
other income			\$ 365
Deductions			
Cash Flow	\$1,291,524	\$ 2,984,210	\$ 1,910,928

2014

- Schedule C net cash flow is from guarantor's job as an individual consultant.
- Majority of schedule E income, \$374,969 is from DMP International, LLC less Sec.179 deductions of \$2,172. Both Mr. Manafort and his wife, Kathleen, earn distributions from DMP International, LLC which are roughly equal. Mr. Manafort founded DMP International, LLC a business consulting and international-affairs firm in 2012. Since DMP did not make as much money compared to 2014 and 2013, AGI is down. **2014**
- Schedule C net cash flow is from guarantor's job as an individual consultant.
- Majority of schedule E income, \$2,058,432 is from DMP International, LLC less Sec.179 deductions of \$16,401.

2013

- Schedule C net cash flow is from guarantor's job as an individual consultant.
- Majority of schedule E income, \$1,518,878 is from DMP International, LLC less loss on other S-Corps of \$180,606

DEBT SERVICING ANALYSIS: Paul Manafort

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BORROWER : Paul Manafort and Kathleen Manafort**DATE:** 1/5/2017

Global Cash Flow	2015	2014	2013
Cash Flow			
Adjusted gross income-Manafort	\$ 1,291,524	\$ 2,984,210	\$ 1,910,928
Total Cash Flow	\$ 1,291,524	\$ 2,984,210	\$ 1,910,928
General Living Expenses	\$ 129,152	\$ 298,421	\$ 191,093
Cash Flow After GLE	\$ 1,162,372	\$ 2,685,789	\$ 1,719,835
Expenses			
TFSB Proposed Loan			
UBS margin account-Manafort	\$ 139,872	\$ 139,872	\$ 139,872
Manafort's Citizen Loan-Baxter	\$ 31,836	\$ 31,836	\$ 31,836
Revolving-Yohai & Manafort	\$ 7,956	\$ 7,956	\$ 7,956
Auto loan-Manafort	\$ 26,412	\$ 26,412	\$ 26,412
Total Expenses	\$ 206,076	\$ 206,076	\$ 206,076
Global DSCR	5.64	13.03	8.35

Comments:

- Credit Officer estimated 12.5% GLE.
- Mr. Manafort owns 8 residences. 3 mortgages total. One of the mortgages is with UBS for \$3,000,000. In addition to the \$3,000,000, an additional \$2,227,826 is owed to UBS in a margin account. The monthly payment is the average balance of the margin account between the opening balance and the closing balance. The average balance was \$5,527,826. The interest rate charge was 2.49% or the monthly charge was \$11,656.
- The remaining two mortgages are shown on Mr. Manafort's CBR and are secured by two single family residences. The loan amounts are for \$2,715,000 and \$687,121 with Citizen's One Bank (and Citizen's Bank, respectively. Monthly payments are \$12,057 for Citizen's One and \$2,653 for Citizen's Bank. As part of this transaction the mortgage of \$2,715,000 will be paid off and is not part of the debt service calculation or \$12,057 per month.
- Credit officer did not include debt service for new loans as the first year of payments will be held in a restricted TFSB account.

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BORROWER : Paul Manafort and Kathleen Manafort**DATE:** 1/5/2017**PERSONAL FINANCIAL STATEMENT: Paul Manafort and Jeff Yohai****Paul Manafort**

Date of PFS 8/11/2016
Credit Bureau Date 8/1/2016
Credit Bureau Score 655/551/672

Assets

Cash in this Bank	\$ -
Cash in other Financial Institutions	\$ 8,611,831
Readily Marketable Securities	\$ -
Non-Marketable Securities	\$ -
Accounts & Notes Receivable	\$ -
Net CVLI	\$ -
Residential Real Estate	\$ 20,789,733
Real Estate Investments	\$ -
Partnerships/ PC interests	\$ -
IRA/401k	\$ 1,220,178
Deferred Income	\$ -
Personal Property (auto)	\$ -
Other Assets	\$ -

Liabilities

Notes Payable to this Bank	
Secured	\$ -
Unsecured	\$ -
Notes Payable to others	
Secured	
Unsecured	\$ -
Accounts Payable (incl. credit cards)	\$ 39,713
Auto	\$ 39,678
AMEX	\$ 303,365
UBS LOC	\$ 5,539,482
Residential Mortgage Debt	\$ 3,401,791
Investment Property Debt	\$ -
Other Liabilities	

Total Liabilities:	\$ 9,324,029
Net Worth:	\$ 21,297,713
Total Liabilities & Net Worth:	\$ 30,621,742
Adjusted Net Worth:	\$ 21,297,713

Total Assets:	\$ 30,621,742
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Comments:

Real estate investments in California are not included in the analysis. TFSB has a 1st lien on 601 N. Fairfax and 174 Jobs Lane as well as 577 Union along with \$3,130,000 in cash collateral.

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- Various liquid accounts (\$8,611,831) and 401K's (\$1,220,178) with UBS totaling \$9,585,458 verified via statements.
- Premier Credit Line with UBS for \$5,539,482 (July 30th statement). Pays interest only at 2.7%. As of 7/29/16, customer has \$210,517.39 in available credit with UBS. \$3,000,000 of the premier line of credit is secured by [REDACTED], New York, New York, which Corelogic gives a value of \$3,824,500 (see below)
- Two mortgage loans with Citizen's One and Citizen's Bank for \$2.715MM (Water Mill) and \$687M [REDACTED] respectively. The Water Mill loan was deducted from the calculation as it is being refinanced by TFSB.
- As of August CBR, Amex is due, payable, and closed by credit granter for \$303,365. Mr. Manafort allowed his friend to pay for season tickets to the Yankees on his Amex card. Mr. Manafort provided copies of the bills which show the Yankee transactions. The unpaid Amex dropped Mr. Manafort's CBR from 708,764,729 in April 2016 to 655,551,672 as of 8/1/16. As of 10/5/16, Mr. Manafort confirmed that AMEX has been repaid by providing a September AMEX statement.

Residential Real Estate (CORELOGIC Values)

1)	[REDACTED] Palm Beach FL	\$1,027,000
2)	[REDACTED] Lorton, VA	\$469,600
3)	[REDACTED] New York, NY	\$3,824,500
4)	174 Jobs Lane, Water Mill, NY	\$8,246,373
5)	[REDACTED] Plainville, CT	\$168,800
6)	377 Union Street, Brooklyn, NY	\$3,425,500
7)	[REDACTED] New York, NY	\$1,921,000
8)	601 N. Fairfax Street, 405, Alexandria, VA	\$1,707,000
		\$20,789,773

Mr. Manafort's OFAC is clear. Besides the severely delinquent AMEX account, credit report shows several derogatory items including 2X30 on a revolver with CBNA last late 11/2010 and 1X30 with Chase on a car loan last late 5/12.

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SUMMARY COMMENTS:

Risk Rating Rationale and Recommendation: A risk rating of 4 (Average) is recommended due to the satisfactory DSCR's and low LTV. The approval is subject to an as-complete appraisal that verifies the value.

LOCATION:

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	<h2 style="margin: 0;">LOAN MEMORANDUM</h2>
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CREDIT POLICY EXCEPTIONS & MITIGATING RATIONALE:		
	<u>Exception</u>	<u>Mitigation</u>
	None	